

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS SECKAR TO INTERROGATORIES OF
THE MCGRAW HILL COMPANIES, INC.
(MH/USPS-T26-1-2)

The United States Postal Service hereby provides responses of witness Seckar to the following interrogatories of The McGraw Hill Companies, Inc.: MH/USPS-T26-1-2, filed on September 17, 1997.


Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

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October 1, 1997

RESPONSE OF U.S. POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORIES OF MCGRAW HILL

MH/USPS-T26-1. With reference to the requirement (DMM E240, adopted after MC95-1) that to be eligible for automation rates, all pieces in a Periodicals mailing must bear an accurate ZIP + 4 barcode (or delivery point barcode), please explain how this requirement has affected the efficiency of handling and processing flats that previously were permitted to be commingled in an automation flat-Periodicals mailing (so long as they bore an accurate 5-digit barcode).

RESPONSE:

Please see witness Moden's response to MH/USPS-T4-1.

RESPONSE OF U.S. POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORIES OF MCGRAW HILL

MH/USPS-T26-2. With reference to your tables III-2 and III-3, please explain the factors that cause the unit volume variable mail processing costs for Periodicals Regular mail to be substantially higher than the unit volume variable mail processing costs for Periodicals Nonprofit mail.

RESPONSE:

Cost differences between Regular Rate and Nonprofit flats result from the use of different inputs. In the case of Periodicals Mail, the mail entry compositions, the container profiles of mail used in the bundle sorting models, the premium pay factors, and the mail processing CRA costs differ in the Regular Rate and Nonprofit analyses. The mail processing CRA costs are referred to as benchmark costs in my testimony; please see lines 16 through 18 at page 11 of USPS-T-26 for further definition. The total modeled costs for Regular Rate and Nonprofit, as shown in LR-H-134 at page 6 of Sections 2 and 3, respectively, are not as different as the unit volume variable costs displayed in Tables III-2 and III-3. This is a result of the benchmark costs (10.6067 cents and 5.8043 cents for Regular Rate and Nonprofit flats respectively) differing by about 4.8 cents. These benchmark costs can be found in LR-H-134 at page 7 of Sections 2 and 3, respectively.

DECLARATION

I, Paul G. Seckar, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Paul G. Seckar

Date: _____

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Kenneth N. Hollies

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